



STATISTICS IN FOCUS

Economy and finance

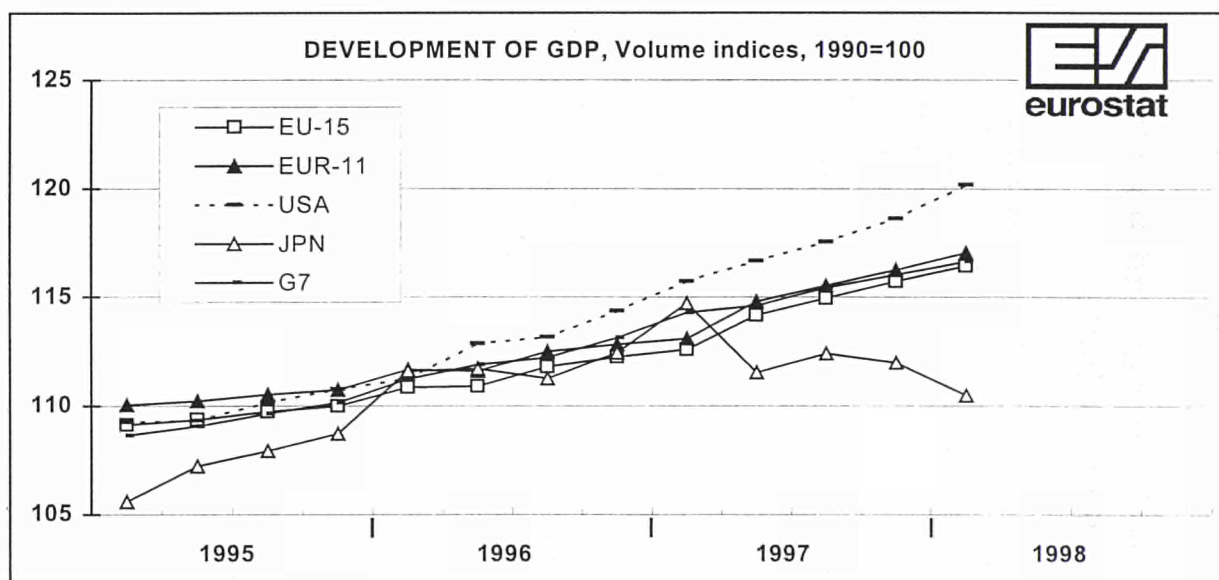
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QUARTERLY ACCOUNTS - FIRST QUARTER 1998

Eurostat estimates (*) concerning the first quarter of 1998, show that the economic growth of the European Union as a whole (EU-15) and of the Economic and Monetary Union (EUR-11) remained nearly at the same level as the past quarter (GDP +0.6% and +0.7%, respectively, with respect to the previous quarter). These results are due mainly to the increase in the gross capital formation, with higher rates for the EU-15 than for the EUR-11 (+0.50 and 0.42 of the GDP variation, respectively) and to the relatively good trend of the private consumption (+0.43 of the GDP variation).

Among the main economic partners, the United States economy accelerated its phase of growth (GDP +1.3% with respect to the previous quarter) whereas Japan decreased to a larger extent for the second consecutive quarter (GDP -1.3%). The G7 confirmed the growth rate of the preceding quarter (GDP +0.5%).



* Methodological Note: Data for the EU-15 and EUR-11 are calculated with a coherent and consistent statistical technique using the data available from those Member States which compile quarterly accounts.

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GROWTH OF GDP AND ITS COMPONENTS

The European Union, the Economic and Monetary Union and their main trading partners

During the first quarter of 1998, the economic growth within the European Union as a whole remained approximately at the same level of the previous quarter (EU-15 GDP +0.6%) and the EUR-11 followed the same behaviour (GDP +0.7%)*. These results were mainly due to the increase in the gross capital formation, with higher rates for the EU-15 (+0.50 of the GDP variation) than for the EUR-11 (+0.42 of the GDP variation). The United States' economy accelerated its phase of growth (GDP +1.3% with respect to the previous quarter) whereas Japan decreased for the second consecutive quarter (GDP -1.3%). Canada (+0.9%) and Australia (+0.8%) slightly accelerated their growth and Switzerland confirmed the rate of the former quarter (+0.4%). The results of Japan balanced the good performances of the European countries and the American economy, remaining then the economic growth rate of the G7 stable (+0.5%).

The private consumption of the EU-15 and the EUR-11 remained almost stable with respect to the previous quarter (+0.7%, for both). In the United States, the private consumption recorded a high increase (+1.5%). Japanese private consumption was characterised by a return to an upward trend (+0.1%) and that of Canada by a certain stability (+0.6%). On the contrary, Australia recorded a stagnation of consumption while Swiss consumption declined (-0.3%), after the increasing trend of the previous quarter.

The gross fixed capital formation of the EU-15 followed a strong acceleration (+2.5%), slightly weaker for EUR-11 (+2.1%). With the exception of the United States, where the investments followed the same pattern as the EU-15 (+3.4%), and Switzerland, where they returned to an upward trend (+1.6%), the gross fixed capital formation showed a downturn in Australia (-0.1%), Canada (-0.2%) and especially in Japan (-3.3%).

The trade surplus of the EU-15 decreased (+1.9% of GDP) mainly due to the quasi stagnation of exports (+0.2%) and the stable growth of imports (+2.1%). The trade surplus within the EUR-11 remained higher than within the EU-15 (+2.7% of GDP) but showing a downward trend caused by the increase in imports (+2.5%) and the strong slowdown of exports (+0.6%). In the United States, the strong increase of imports (+4.0%) together with the downturn of exports (-0.3%) led to an increase in the trade deficit (-3.3% of GDP). Japan continued to

show a trade surplus (+2.0%), although slightly slower than the previous quarter. Exports fell sharply (-3.8%) followed by a weaker decrease in imports (-1.4%). The external balance for Canada (+2.1% of GDP) was still improving due to the decline in imports (-0.2%) and the stable growth of exports (+1.5%). Australia still recorded a trade deficit (-2.5% of GDP) mainly caused by the increase in imports (+3.1%). In Switzerland, the downturn of exports (-0.4%) and the increase in imports (+2.9%) led to a trade deficit (-1.0% of GDP).

The Member States

Among the Member States, the results of the previous quarter were generally confirmed: the Netherlands +1.1%, Spain +0.9%, United Kingdom +0.8% and France +0.6%. Germany's economic growth accelerated (+1.2%) while Finland's slowed down (+0.7%). Only the economies of Italy (-0.1%), Denmark (-0.3%) and especially of Sweden (-0.9%) presented negative figures.

Private consumption was marked by the recovery in Italy (+0.5%) and the strong decrease in Denmark (-0.9% compared to +3.1% in the preceding quarter). Most of the Member States reinforced the results of the fourth quarter of 1997 with the exception of Spain, where the growth rate accelerated (+1.1%), United Kingdom and Finland, where the private consumption slowed down (+0.9% and +0.4% respectively).

Gross fixed capital formation grew in almost all Member States. Investments recovered strongly in Denmark (+6.9%) and France (+1.7%). Acceleration was observed in Sweden (+5.1%), Germany (+3.8%), United Kingdom (+3.8%) and Spain (+2.9%). The Italian investments continued their growth (+1.3%) while slowing down in the Netherlands (+1.9%). Finland is the only country that reported a negative rate (-7.5%) representing a strong downturn in investments.

Most of the Member States presented a lower trade surplus than the previous quarter. Exports declined in Italy (-3.2%) and Denmark (-2.1%), and slowed down in the rest of the Member States, whereas imports increased in Finland (+4.4%), Sweden (+3.5%) and Germany (+3.0%). Finland is the only country which experienced both a strong recovery in exports (+3.8%) and an increase in imports (+4.4%). The United Kingdom continued in trade deficit (-2.4%) but higher than the previous quarter due to the stronger fall in exports (-2.4%) than in imports (-0.6%).

* The EU-15 and EUR-11 growth rates in this publication have been revised since the "Statistics in Focus" No. 22 of 15.06.1998. The previous publication was based on a more limited data set than the one used for this publication, and used first estimates for some countries which have now been revised. The size of the revisions, however, is quite small (e.g. EU-15 and EUR-11 GDP were revised by 0.10 and 0.22 points of percentage).

EU-15, EUR-11, MAIN ECONOMIC AREAS, PARTNERS AND EU MEMBER STATES

EVOLUTION OF GDP AND COMPONENTS

PERCENTAGE CHANGE OVER PREVIOUS PERIOD



IN VOLUME

	GDP				Private consumption				Government consumption				Gross fixed cap. format.				Change in stocks ¹				Domestic demand				Exports				Imports				External balance ¹			
	97				98				97				97				97				97				97				97				97			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1

I) ECONOMIC AREAS

EU-15 ²	1.4	0.7	0.7	0.6	1.0	0.2	0.9	0.7	-0.1	0.4	-0.4	0.2	1.7	0.4	0.9	2.5	0.6	0.6	0.8	1.1	1.3	0.3	0.9	1.3	5.2	3.4	1.3	0.2	5.1	2.4	2.0	2.1	2.4	2.8	2.6	1.9
EUR-11 ²	1.5	0.7	0.6	0.7	0.7	0.2	0.7	0.7	0.1	-0.0	-0.6	0.4	1.3	0.4	0.9	2.1	0.6	0.6	0.8	1.1	1.2	0.2	0.8	1.3	5.6	3.8	1.6	0.6	5.2	2.8	2.1	2.5	3.1	3.5	3.3	2.7
G 7	0.3	0.7	0.5	0.5	-0.6	1.1	0.4	0.9	0.0	0.4	0.1	-0.3	0.6	1.1	0.0	1.2	0.9	0.8	1.0	1.2	0.1	0.8	0.5	1.1	4.9	2.0	1.6	-0.7	4.0	2.5	1.3	2.0	0.2	0.1	0.2	-0.4

II) MAIN ECONOMIC PARTNERS

USA	0.8	0.8	0.9	1.3	0.2	1.4	0.6	1.5	0.7	0.3	0.3	-0.8	2.7	2.9	0.2	3.4	1.2	0.9	1.2	1.7	1.0	1.2	0.8	2.0	4.3	1.1	2.0	-0.3	4.8	3.5	1.3	4.0	-2.3	-2.7	-2.6	-3.3
JPN	-2.8	0.8	-0.4	-1.3	-5.3	1.7	-1.0	0.1	-0.9	0.7	1.4	-0.6	-2.6	-0.7	-1.1	-3.3	0.3	0.3	0.2	0.2	-3.8	0.9	-1.0	-1.0	5.8	-1.5	2.7	-3.8	-2.3	-1.1	-1.7	-1.4	1.8	1.7	2.3	2.0
CAN	1.0	1.1	0.7	0.9	1.1	1.2	0.7	0.6	0.2	0.5	-0.2	-0.2	1.3	3.0	0.1	-0.2	-0.3	0.1	0.6	0.5	1.3	1.8	0.9	0.3	0.1	3.2	1.8	1.5	0.8	5.4	2.2	-0.2	2.3	1.6	1.4	2.1
AUS	2.0	1.3	0.6	0.8	1.3	1.4	1.7	0.0	0.6	1.7	0.1	-1.9	3.4	2.6	1.2	-0.1	-1.8	-0.8	-0.5	2.0	2.4	0.9	1.0	-2.8	11.3	-2.6	-3.0	-2.2	7.0	2.6	1.0	3.1	1.2	-0.2	-1.2	-2.5

III) MEMBER STATES

D	1.6	0.4	0.6	1.2	0.9	-0.7	1.1	0.8	-0.9	-0.8	-2.5	0.7	0.7	-0.3	1.0	3.8	1.6	2.2	2.2	2.2	0.9	0.0	0.6	1.5	5.9	2.7	2.5	2.1	3.5	1.6	2.5	3.0	1.3	1.6	1.6	1.4
F	1.1	0.9	0.8	0.6	0.3	1.2	0.9	0.7	0.2	0.2	0.2	0.3	1.3	0.5	-0.0	1.7	-0.4	-0.4	-0.5	-0.1	0.6	0.9	0.5	1.3	5.9	3.4	1.9	0.2	4.3	3.6	1.0	2.8	4.0	4.0	4.3	3.6
I	1.9	0.5	0.2	-0.1	0.7	0.3	-0.1	0.5	0.1	0.2	0.1	0.5	1.2	0.7	1.4	1.3	1.8	1.1	1.9	2.2	2.5	-0.4	1.1	1.0	8.8	6.2	-1.2	-3.2	12.8	3.5	2.0	0.6	3.9	4.8	3.9	2.9
UK	1.0	0.8	0.6	0.8	1.8	0.7	1.4	0.9	-1.0	1.8	-0.1	-0.5	2.7	0.7	1.1	3.8	0.7	0.5	0.6	0.8	1.5	0.7	1.3	1.3	3.2	1.4	-0.1	-2.4	4.8	1.0	2.0	-0.6	-1.3	-1.1	-1.8	-2.4
DK	1.8	0.5	1.3	-0.3	1.7	-1.6	3.1	-0.9	0.1	0.6	1.1	0.2	5.5	0.9	-1.0	6.9	0.0	1.0	-0.0	0.4	3.1	0.3	0.6	1.5	1.1	2.0	2.1	-2.1	3.2	2.1	0.5	2.4	2.6	2.6	3.2	1.5
E	0.9	1.0	0.9	0.9	1.1	0.8	0.6	1.1	0.6	0.7	-0.4	-0.9	1.6	2.0	2.0	2.9	-0.3	-0.4	-0.5	-0.5	0.9	1.0	0.7	1.2	3.5	4.1	3.9	1.9	3.9	4.2	3.3	2.7	1.2	1.3	1.5	1.3
NL	1.0	0.8	1.1	1.1	0.8	0.6	0.9	0.9	0.7	0.7	0.6	0.8	0.3	0.0	2.3	1.9	0.0	-0.3	0.2	1.4	1.7	0.0	1.5	1.0	1.9	3.2	1.3	0.5	2.2	2.3	2.4	2.7	7.1	7.8	7.2	5.9
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S	0.4	0.9	2.1	-0.9	1.8	0.1	0.4	0.2	0.3	1.5	-0.5	0.2	8.1	-4.6	2.4	5.1	-0.9	-0.4	1.6	1.3	-0.5	0.1	2.7	0.7	7.3	2.7	0.9	-0.5	6.7	1.3	1.9	3.5	9.0	9.7	9.3	7.7
FIN	2.9	1.7	1.2	0.7	0.9	0.9	1.5	0.4	1.5	0.6	0.1	-0.5	8.7	3.3	0.8	-7.5	3.6	2.4	3.0	4.7	2.9	0.0	1.7	0.5	5.1	6.4	-0.3	3.8	5.7	2.5	0.6	4.4	8.5	10.0	9.6	9.7

III) EFTA

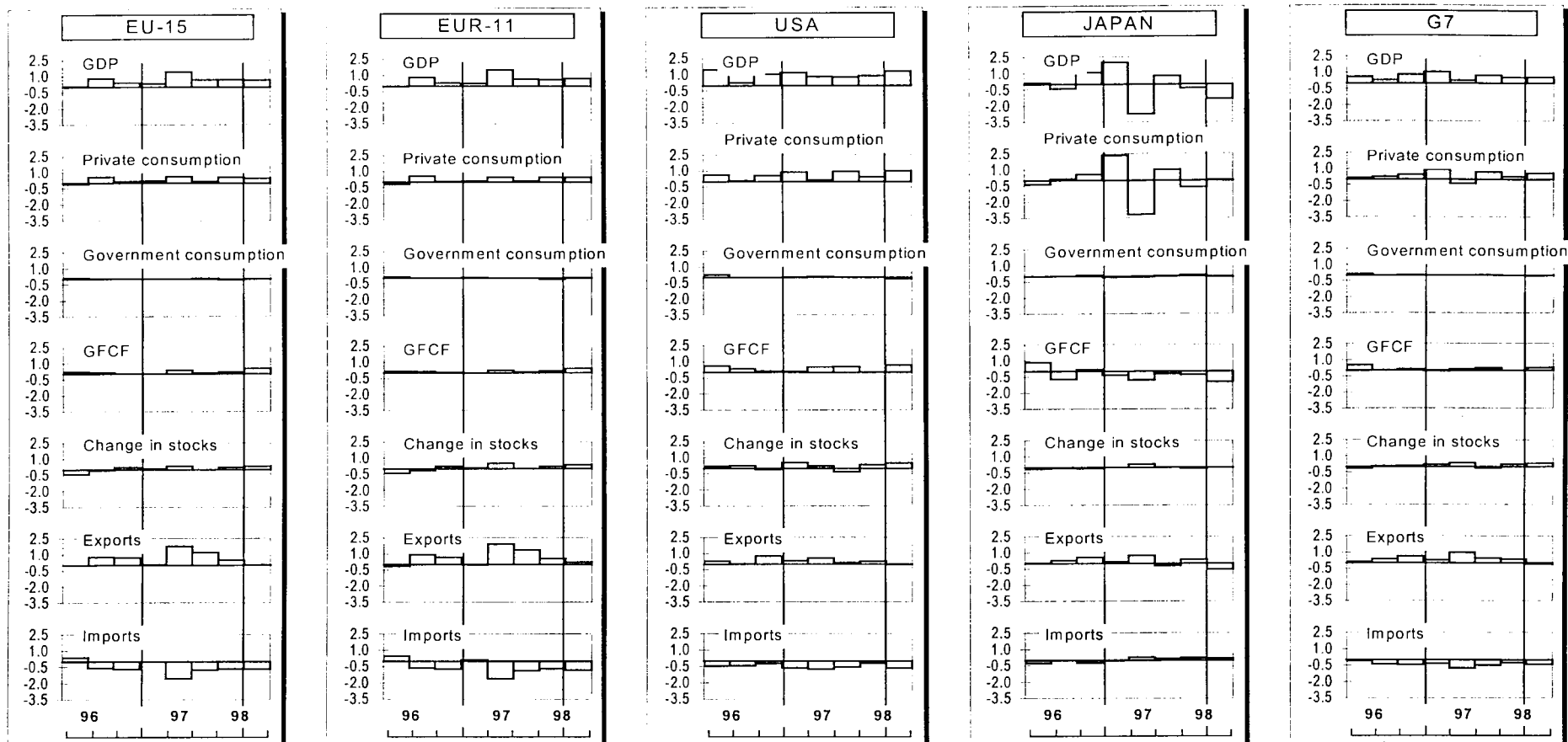
CH	1.0	0.6	0.5	0.4	0.5	-0.1	1.2	-0.3	0.1	-0.1	0.2	-0.0	1.5	2.5	-4.1	1.6	0.5	0.8	1.5	3.1	1.2	0.9	0.5	1.8	5.7	2.3	1.9	-0.4	6.5	3.1	1.8	2.9	0.7	0.4	0.4	-1.0
N	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:

¹ Percentage of GDP (seasonally adjusted).

² The EU-15 and EUR-11 aggregates are calculated statistically using data available from Member States which compile quarterly national accounts.

CONTRIBUTION OF THE COMPONENTS TO VARIATIONS IN GDP* - CONSTANT PRICES - T/T-1

eurostat	GDP				Private consumption				Government consumption				Gross fixed cap. formation				Change in stocks				Exports				Imports			
	97				97				97				97				97				97				97			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
EU-15	1.40	0.68	0.67	0.63	0.60	0.14	0.52	0.43	-0.02	0.06	-0.07	0.03	0.34	0.08	0.18	0.50	0.32	-0.01	0.23	0.31	1.75	1.19	0.48	0.05	-1.60	-0.79	-0.67	-0.69
EUR-11	1.50	0.65	0.62	0.69	0.45	0.12	0.45	0.43	0.01	-0.01	-0.09	0.06	0.26	0.08	0.19	0.42	0.48	0.00	0.20	0.37	1.89	1.34	0.56	0.22	-1.60	-0.89	-0.69	-0.82
USA	0.82	0.76	0.91	1.31	0.16	0.93	0.41	0.99	0.10	0.05	0.04	-0.11	0.51	0.55	0.04	0.65	0.21	-0.35	0.35	0.51	0.59	0.15	0.29	-0.04	-0.76	-0.57	-0.22	-0.68
JPN	-2.76	0.78	-0.37	-1.34	-3.16	1.00	-0.60	0.06	-0.08	0.06	0.13	-0.05	-0.79	-0.22	-0.32	-0.98	0.28	0.01	-0.13	0.00	0.73	-0.21	0.36	-0.52	0.27	0.13	0.19	0.16
G7	0.27	0.72	0.52	0.54	-0.39	0.67	0.25	0.59	0.00	0.06	0.01	-0.05	0.14	0.23	0.01	0.25	0.33	-0.13	0.19	0.29	0.96	0.41	0.33	-0.14	-0.77	-0.50	-0.27	-0.41



* Contributions to change in GDP are calculated by expressing changes in the components, compared with the previous quarter, as a percent of GDP in the reference period